

Efficiency Maine Trust

Board Meeting Minutes

September 22, 2010

Room 209, Cross Building, Augusta, ME

Draft Submitted: September 23, 2010

Trust Board Members

✓ Adam Lee, Chair	✓ Dale McCormick
✓ Naomi Mermin, Vice Chair	✓ Jennifer Puser for John Kerry
✓ James Atwell, Secretary	✓ Glenn Poole
✓ Michelle Atherton, Treasurer	✓ John Rohman
	✓ Tom Tietenberg

Efficiency Maine Trust Staff/Consultants:

- Michael Stoddard
- John Quartararo
- Jean Guzzetti
- Elizabeth Crabtree
- Andy Meyer
- Peter Roehrig
- Linda Pistner
- Cindy Talbot

Partial List of Other Attendees:

- John Logan, Water Energy Distributors
- Dylan Voorhees, NRCM
- Bruce Harrington, ERS
- Jim Grevatt, Vermont Energy Investment Corp.
- Richard Faesy, Energy Futures Group
- Sharon A. Star, Kennebunk Light and Power District
- Tom Rooney, TRC Energy Services
- Ann Goggin, Green Oak
- Patty Aho, Pierce Atwood
- Virginia Archambault, Vreeland Marketing
- Charlie Woodworth
- Steven Ward, Perkins Point Consulting
- Calvin Luther, Bangor Hydro
- Rich Nowak, Cevon Corp
- Doug Baston
- Terry Hayes

1.0 Approve Draft Agenda and Minutes

Chair Lee called the meeting to order at 9:35 a.m.

ACTION: Upon a motion duly made (Atwell) and seconded (Mermin) the Board voted unanimously to approve the agenda for this meeting.

ACTION: Upon a motion duly made (Rohman) and seconded (Tietenberg) the Board voted unanimously to approve the minutes of the July 20 Board Meeting.

2.0 Executive Director Report – Michael Stoddard

Stoddard reviewed highlights of the written report dated September 15 and provided to the Board prior to the meeting. (See Attachment A to these minutes.)

3.0 Action Items

- Review and Vote on FY 2011 Budget**

John Quartararo addressed the Board, reviewing the financial items provided prior to the meeting. He noted the following differences between the proposed FY 2011 budget and the Triennial Plan's budget for the same period:

- The Triennial Plan describes \$27 million for low income home weatherization that is under MaineHousing's direction. It is not within Efficiency Maine's authority to collect or expend these particular funds, and so the \$27 million isn't included in this budget.
- Efficiency Maine has received additional awards from the Federal Government since adoption of the Triennial Plan which are included in this budget. This includes the \$30 million PACE funding which, although planned for a 3-year period, is shown in the budget as being frontloaded into Year 1.

In response to a Board Member question, Quartararo confirmed that the budgets are consistent with all legislative and funding restrictions.

ACTION: Upon a motion duly made (Atherton) and seconded (Atwell) the Board voted unanimously to accept the budget provided by Quartararo, with the amendment that the Executive Director has the authority to transfer funds between programs.

Atherton reported that the Finance Committee met with the auditing firm and the Committee will present the final audit report to the Board for acceptance at the next Board meeting.

- Review and Vote on Chapter 1: Contracting Process for Service Providers and Grant Recipients**

Lucia Nixon presented the basis statement and proposed permanent rule for Chapter 1: Rule for the Contracting Process for Service Providers and Grant Recipients. This rule is proposed to replace the emergency rule adopted in July. A public hearing was held on the proposed rule on August 26 and comments were addressed.

Linda Pistner asked that one change be made to the rule. In the first paragraph of Section H, she proposed to amend the rule replace the standard of review for the appeal process from "clear and convincing evidence" to "a preponderance of the evidence."

ACTION: Upon a motion duly made (McCormick) and seconded (Mermin) the Board voted unanimously to adopt the rule with the change recommended by Pistner.

- **Nominating Committee Election of Officers**

Poole reported that the Nominating Committee met and that they nominate the existing slate of officers to continue for the next year. The current Board Officers are as follows:

- Adam Lee, Chair
- Naomi Mermin, Vice Chair
- Michelle Atherton, Treasurer
- Jim Atwell, Secretary

ACTION: Upon a motion duly made (Poole) and seconded (Rohman) the Board voted unanimously to accept the nominated slate of officers.

4.0 Presentation

Andy Meyer gave an overview of Efficiency Maine's Home Weatherization Program and successes to date. He introduced the guest speakers, Richard Faesy, Energy Futures Group, and Jim Grevatt, Vermont Energy Investment Corp. They gave a presentation on the DOE Technical Assistance Program and Designing Effective Residential Retrofit Programs. Please refer to the PowerPoint file posted on the Trust's website for details on this presentation.

5.0 New Business

None offered.

6.0 Public Comment

- **John Logan, Water Energy Distributors.** Mr. Logan asked whether the percent savings sought by the Trust's Triennial Plan (and the legislative targets) were for energy, carbon, or cost units in order to gain a better understanding of whether geothermal heating systems offer the potential to meet savings targets in the Trust's Plan. Staff clarified that there are multiple savings goals (for electric consumption, natural gas consumption, and heating fuels consumption) are for overall energy use reductions as measured in equivalent Btu's
- **Pam McTigue, TESM.** She requested that materials supporting the Board agenda be posted on the website before the meeting.
- **Tom Rooney, TRC Energy Services.** He commented on the discussion of evaluations, and noted that New York has data on actual savings after implementation of measures.
- **Terry Hayes, State Representative from Buckfield.** She supports the Trust's weatherization efforts and noted that the best way to get participation is to lead by example. She has challenged her legislative colleagues to get audits on their homes and to implement the recommendations. Rep. Hayes reported that across the state she was hearing from businesses who appreciated the public-private partnership they were receiving from Efficiency Maine programs. She urged building on Efficiency Maine's success on the commercial side to help advance programs on the residential

side. As one example, businesses who have benefited from efficiency programs could promote the home energy savings program to their employees. Use employers as a gateway to their employees.

7.0 Next Meeting Agenda

Wednesday, October 27, 9:30 a.m. to 12:30 p.m., Room 209, Cross Building, Augusta

- Poole requested that Andy Meyer share with the board specific examples of one or two real homes, audit findings, changes made, savings results, etc. Meyer referred to the article in Sunday's paper and television ads featuring real people who have participated in the program.
- Atherton noted the Financial Audit report and vote on acceptance should be included on the agenda.
- Mermin recommended a presentation on program evaluations, with possible outside speakers.

8.0 Adjournment

ACTION: Upon a motion duly made (Tietenberg) and seconded (McCormick) the Board voted unanimously to adjourn the meeting at 11:55 p.m.

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Executive Director's Summary Report to the Board of Trustees **Efficiency Maine Trust**

Sept 15, 2010

I. Headlines

- a. The Home Energy Savings Program registered more than 2,500 consumers seeking participation in the Seasonal Promotion (\$1,000 bonus) before the August 31 deadline. Due to this overwhelming response, the program team received and responded to feedback from vendors and customers by implementing several important alterations. These include: extending the deadline for completion of work on HESP projects to December 31, 2010, for customers that registered for the Seasonal Promotion and improving the website information about Participating Energy Advisors (auditors).
- b. Efficiency Maine (EM) has committed all of the remaining ARRA funds for competitive commercial and large industrial projects awarded under the Commercial Projects, Large Greenhouse Gas Projects, and Large Electrical Efficiency and Conservation Projects for more than \$8 million in new grants. EM also issued EECBG grants to municipalities. Proceeds of carbon auctions in the Regional Greenhouse Gas Initiative were used to supplement the ARRA funds in the large industrial project awards.
- c. Contract execution – In July, Efficiency Maine executed 91 contracts to distribute funds from the American Recovery and Reinvestment Act, totaling \$8.1 million dollars. (These were for awards made prior to July 1.)
- d. In September, Efficiency Maine received verbal notice that it was awarded a new grant from US DOE in the amount of \$4.5 million to help retrofit non-low income multifamily buildings having between five and 20 units. We are awaiting a formal written award notification, and anticipate completing a grant contract with US DOE by the end of the month.

II. Finance and Administration Highlights

- a. Forward Capacity Market (FCM)

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- i. EM successfully participated in the FCM Auction #4 of August 2, 2010 at ISO-New England. Before submitting the EM bid, we reviewed our show of interest with PUC staff and GDS Associates to determine a realistic projection of capacity savings from our programs and targeted a bid of 50 MW. We also reviewed our bidding strategy with Energy New England, our consultant for the FCM.
 - ii. As our consultant predicted, the auction was oversubscribed, and ISO offered all participants a reduction of the MW bid or the bid price taken, and EM elected to take the reduction in the amount of MW bid.
 - iii. EM's final obligation is to deliver 39.580 MW (not accounting for line losses) at a price of \$2,951 per megawatt-month.
- b. FY 2010 Financial Audit
- i. Our auditor, MacDonald Page, completed fieldwork in August. An exit interview with management will be completed during the week of September 20th.
 - ii. Draft financial statements and audit reports will be reviewed by the Finance Committee at its upcoming meeting. The final statements and report will be presented at the October meeting of the Board for its review and approval.
 - iii. The draft numbers will be submitted to the State Controller's office by Oct. 15 for inclusion in the State of Maine financial reports for FY 2010.
- c. Financial Management System -- EM is working with Lynn Kinney and Associates to identify appropriate financial management systems and developing an RFP which we anticipate issuing in the next 30-60 days. That system will allow for financial recording and tracking of transactions, reporting, grants management, contract management, and encumbrance reporting. In this way we will know our cash position as well as what funds have been committed by award or contract.
- d. US Department of Energy (DOE) Site Visit and Inspections
- i. DOE staff with oversight of the State Energy Program (SEP) visited for one week in early August. They conducted an extensive review of administrative and financial structure and activities as well as field visits, accompanied by EM staff, to projects funded with ARRA moneys.
 - ii. DOE staff with oversight of the EECBG programs visited the following week to perform in-house reviews of documentation and administrative structure, as well as conducting site visits accompanied by EM staff.
 - iii. Preliminary findings for both audits were satisfactory, with high marks for energy savings and stimulus impact, and helpful recommendations on

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administrative measures to ensure compliance with federal “flow down requirements.”

- iv. Final reports are expected soon and we do not anticipate any significant issues.
- e. Finance Committee -- The minutes of the Finance Committee meeting held on August 12, 2010 are included in the board packets. Also, month-end reports for July and August are attached, for expense-revenues and the balance sheet.
- f. Regional Greenhouse Gas Initiative (RGGI) Auction -- Maine will receive \$1,739,963 from the 9th (RGGI) auction.

III. Program Highlights

a. Residential

- i. Home Energy Savings Program (HESP)
 - 1. Summer Promotion Results – The bonus of \$1,000, coupled with an August 31 deadline to register for the promotion, created excellent results:
 - More than 2,500 names were registered for the bonus
 - A total 1041 audits have now been completed by BPI certified Participating Energy Advisors, jumping up from less than 300 before the bonus was offered. Audits were completed at an average rate of about 60 audits per week for the past 12 weeks.
 - Visitors to the EM webpage on HESP exceeded 10,000 in the month of August, peaking at 3,469 in a week and constituting more than 60% of total visits to efficiencymaine.com.
 - Whole House home retrofits (saving 25% or more energy) are being completed at rate of 30 per week, or 50 times the rate of 2008-9 before the HESP program was in place.

ii. Property Assessed Clean Energy (PACE) Program

- 1. EM staff has aggressively reached out to municipalities to raise awareness about the emergence of the PACE program and steps to participate. As of September 14, staff had met individually or in small groups with officials in: Alfred, Arrowsic, Augusta, Bath, Belfast, Biddeford, Bowdoinham, Brunswick, Camden, China, Cumberland, Falmouth, Fayette, Freeport, Hallowell, Hamden, Herman, Kittery, Lewiston, Lincoln, Old Town, Rockland,

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Scarborough, South Portland, Saco, Thorndike, Unity, Veazie, Westport Island, Yarmouth. Staff also addressed a meeting of approximately 80 town managers.

2. EM has completed several model documents that are required by the PACE Act for purposes of implementing a PACE program in Maine. These include a Model Ordinance for municipal adoption, and a model contract between a participating municipality and EM.
 3. EM established a web page at www.efficiencymaine.com/PACE where municipal officials can find a general introduction to EM's PACE program, an FAQ, model documents, and updates on events or proceedings.
 4. Hamden and Old Town have adopted the PACE Ordinance. We estimate that another 4-6 will approve a PACE ordinance in September and a dozen or more will approve joining PACE in October. Towns that have managed to get this issue on their warrant are expected to hold votes on joining PACE in November.
 5. Rulemaking – EM generated a draft rule for public comment and held a public hearing before a panel of three board members on August 31. Written comments were received through September 13.
 6. Staff has generated a draft RFP to solicit Master Provider services (i.e., loan origination and loan servicing) which staff is collecting feedback on and should be issued as soon as possible.
 7. National conference – Staff represented EM at a US DOE conference of all awardees of the ARRA-funded BetterBuildings initiative on September 12-13. The conference was held in Chicago.
- iii. Appliance Rebates – EM's appliance rebate program funded by RGGI proceeds wrapped up on August 31. The program showed excellent participation levels and achieved good cost-effectiveness results. It also helped EM expand its relationship with retail stores.
- iv. Marketing plan developments
1. Residential Lighting - The Residential Marketing Work Group reviewed the Triennial Plan lighting targets (1.9 million CFLs this year), marketing strategies in other states and held discussions with the delivery team and Dunskey consulting. EM is moving to implement an aggressive increase of in-store, point of purchase marketing activity and eliminating broadcast advertising for the fall and possibly the winter.
 2. Efficient Heating Equipment – marketing continues through the existing channels at the Maine Energy Marketers Association

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(MEMA) and Utilil. New opportunities are being explored for cross-promotion by Participating Energy Auditors. Staff has begun outreach to the wood pellet industry to discuss program designs and marketing channels to advance the program in the Triennial Plan.

b. Business (Commercial, Institutional (municipal), and Industrial)

i. ARRA and RGGI competitive solicitations:

1. Commercial Projects – In August, EM awarded approximately \$1.4 million to 45 out of a pool of 69 applicants. The awarded bids are using EM funds to leverage \$2.8 million in matching private funds, and are projected to save more than 19,000 MMBtu of energy. More than 20 of the projects involved installation of, or upgrades to, efficient and alternative space and water heating systems. Contracts are being finalized this month.
2. Large GHG Projects – EM also announced nine winning bidders out of 17 applications. The total grant funding from EM was approximately \$3.4 million (\$2.2 million from ARRA and \$1.2 million from RGGI) for these large projects that reduce greenhouse gases through measures ranging from large boiler upgrades to efficient snowmaking equipment. EM funding leveraged more than \$20 million in private investments in these projects.
3. Large Electrical Efficiency and Conservation Projects – EM announced nine awards totaling more than \$4.3 million of RGGI funds out of 12 applications for large projects to save electricity. Projects included back pressure steam turbines, efficient drives and motors, and more efficient pulping equipment. EM funding leveraged more than \$12 million in private investments in these projects.
4. Energy Efficiency Community Block Grants (EECBG) – Efficiency Maine awarded 42 grants totaling \$1.4 million dollars to municipalities across the state. The staff is working with towns to develop and finalize project details and execute contracts.

ii. Marketing plans -

1. The marketing work group met 4 times and is now moving forward on developing more detailed marketing plans for the residential lighting program and the business program.
2. Staff is continuing to meet with the work group to refine services provided by Burgess. We are happy to report that the contract is under-budget and we can continue work within it through the end of October.

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3. Because of the progress made over the last few weeks, we are confident that at the next Board meeting we can present an acceptable contract with Burgess for approval from the full Board.
- c. Other
- i. Public Relations / press coverage
 1. State of the State – Efficiency Maine and one of its Participating Energy Advisors were interviewed on the half-hour community access cable show hosted by Kit St. John for a discussion about HESP and the Summer Promotion.
 2. In early September, MaineBiz published an issue dedicated to energy issues which included a guest column from Efficiency Maine about business programs and the recent announcement of awards under the Commercial Project solicitation.
 3. The Summer Promotion in mid-August earned significant positive media coverage on local news stations.
 - ii. Evaluation – EM is drafting an evaluation plan to complement the Triennial Plan. The evaluation plan addresses not only traditional program evaluation but also other evaluation-related activities that are critical to the work of the Trust, including but not limited to: measurement and verification for participation in the Forward Capacity Market, cost-effectiveness analysis and regional evaluation forums. The plan will provide flexibility for the Trust to incorporate emerging opportunities for research and analysis to enhance program effectiveness and inform program development.
- iii. Education
1. We are working closely with the Maine Energy Education Program (MEEP) to continue our existing Power Sleuth curriculum and classroom work that reaches 10,000 - 12,000 students each year in Maine.
 2. We are continuing our nationally certified courses such as Building Operator Certification.
 3. We have received multiple unsolicited proposals for additional education / awareness projects that we are reviewing.
- iv. Contracting Rule – EM prepared a proposed permanent rule governing the contracting process for service providers and grant recipients. EM held a public hearing on the proposed rule before a panel of three board members on August 26 and written comments were received through September 7. EM has prepared the response to comments and generated a final rule for the Board's consideration at the September 22 meeting. The permanent

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rule will replace the emergency rule adopted by the board in late June which expires October 7.

IV. Announcements

- a. Kick Off Meeting for Heating Fuels Report – will be held September 30 from 1:30-3:00 in Augusta, location TBD. The purpose of this initiative is to assist EM in the development of a report and recommendations required to be delivered to the legislature in January. Interested parties should contact Peter.Roehrig@efficiencymaine.com to be added to the email list for this initiative.